

Proposed Template for Describing Option Packages to Address Regional Transmission Problems and Opportunities

OPTION [1, 2, or 3]

Observations and Assumptions

1. Consensus Limitations. Any statement of a consensus that a regional problem or opportunity exists is not an indication that a particular transmission provider agrees that the problem exists on its own system or has a duty or responsibility under tariff, law, or regulation to correct the problem. In addition, a consensus that a problem warrants action does not signify what that action might be, if any, how that action might be taken, or what entity might be responsible for implementing the action.
2. Regional Scope. For the purpose of these discussions, the region includes the area served by the RTO West filing utilities, to include the states and provinces of, British Columbia, Washington, Oregon, Idaho, Nevada, Montana, Wyoming, and Utah.
3. "Best Model" Contributions. All participants are encouraged to make suggestions for improving a given solution or package of solutions. Such contributions to improve the quality of a given package do not necessarily indicate support for or agreement to that package, but rather a desire to assist decision making by building each package as the "best model" for a given approach.
4. Questions for Solutions. (a) How does each alternative solution address concerns? (b) Is there linkage to other problems? (c) How would the solution be implemented? (d) Is an organized entity needed? (e) Is an independent entity needed?
5. Questions for Packages. (a) Which problems are addressed by the package? (b) Which problems are not addressed (or deferred) by the package? (c) What is the order and timing of steps to be taken? (d) What organizational structure is required? (e) What regulatory filing/approvals are required?
6. Reference Document. Please refer to the reference document dated September 5, 2003 for additional details concerning each of the problem and opportunity groupings listed below. (The complete title of the document is "*Reference Document for Developing Option Packages to Address Regional Transmission Problems and Opportunities.*")

7. **Group 1 – Planning and Expansion Issues**

1.a Internal Planning

Underutilized capacity:

Information, incentives and hurdles affecting infrastructure development:

Adequacy standards and infrastructure:

1.b West-wide Planning

Interregional (seams) planning issues.

1.c System Expansion

Information, incentives and hurdles affecting infrastructure development:

Adequacy standards and infrastructure:

Infrastructure investment:

Cost recovery:

Group 2 – Use of Existing System Issues

2.a Short-Term Access

Underutilized capacity:

Access and Service Issues:

Information, incentives and hurdles affecting infrastructure development:

2.b ATC Calculation

Underutilized capacity:

2.c Scheduling

Market Power Issues:

Information, incentives and hurdles affecting infrastructure development:

Underlying Problem:

Operational control issues:

2.d Congestion Management & System Control

Underutilized capacity:

2.e Transmission Rights

Group 3 – Long-Term Access

3.a Physical Interconnection

Underutilized capacity:

Information, incentives and hurdles affecting infrastructure development:

3.b Business Relationship

Access and Service Issues:

- “Rules of the road”
- Generation integration:
- Load integration

Group 4 – Control Area Function Issues

4.a Short-Term Reliability

Information, incentives and hurdles affecting infrastructure development:

Underlying Problem:

Operational control issues:

Use of net v. gross load:

Setting reliability standards without adequate consideration of cost consequences:

Over-reliance on short term and non-firm use of system:

4.b Ancillary Services

Market power issues :

Ancillary services:

4.c Losses

Losses; loss methodology:

Group 5 – Cost Recovery Issues (Including Rate Pancaking)

5.a Embedded Cost of Existing System

Information, incentives and hurdles affecting infrastructure development:

5.b Rate Pancaking

Information, incentives and hurdles affecting infrastructure development:

Group 6 – Market Power Issues

6.a Market Monitoring

Market power issues :

6.b Market Power Mitigation

Market power issues :

Group 7 – “Ballpark” Costs, Benefits and Timing Issues

7.a Expected Costs

7.b Benefits (Return on Investment)

7.c Order of Steps

7.d Time to Implement